DOCUMENT RESUME

ED 311 122 UD 027 022

AUTHOR	Abrahamson, Peter
TITLE	Urban Poverty and the Welfare State: Comparative Reflections on Scandinavia and the U.S. Working Paper No. 481.
INSTITUTION	California Univ., Berkeley. Inst. of Urban and Regional Development.
PUB DATE	Jul 88
NOTE	47p.
AVAILABLE FROM	Institute of Urban and Regional Development, 316 Wurster Hall, University of California at Berkeley, Berkeley, CA 94720 ($4.00).
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Comparative Analysis; Economically Disadvantaged; Foreign Countries; Labor Market; *Lower Class; Middle Class; *Poverty; *Social Stratification; Unemployment; *Urban Problems; *Welfare Services; Working Class
IDENTIFIERS	Dual Economy Theory; Labor Force Segmentation; *Scandinavia; Social Movements; *Welfare Societies

ABSTRACT

Scandinavian welfare states are developing a growing new middle class and a growing marginalized, poverty-threatened underclass, reproducing the societal duality caused by labor market structuring. Tightening labor markets, increased dependency on welfare benefits, and substantial decreases in public transfers have combined to create a growing population, the majority living in urban areas, en route to poverty or living on the fringes of a normal life. This paper outlines a project on urban poverty and social movements in the United States reflected from a European perspective. Research indicates that labor market segmentation, characterized by first and second reality states, creates a dual society. Examples of Scandinavian welfare state dualization include the following instances: (1) social welfare in Sweden; (2) fiscal welfare in Denmark; and (3) occupational welfare in Norway. A model juxtaposing system-world logic, as seen in the labor movement, and life-world logic, as seen in social movements, differentiates between the resources of marginalized persons. Examination of urban poverty in Copenhagen and America suggests the potential power of social movements such as claimants' unions in working toward the redistribution of resources and services. The paper includes 6 figures, 11 tables, and an appendix analyzing demographic trends in Copenhagen as compared to Denmark as a whole. A 53-item list of references is appended. (AF)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

8.21.89 UD

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

Marie J Floyd
Inst. of Urban and Regional Development

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Urban Poverty and the Welfare State: Comparative Reflections on Scandinavia And the U. S.

Peter Abrahamson

Working Paper No. 481

July 1988

Institute of Urban and Regional Development

University of California

BEST COPY AVAILABLE

ABOUT THE INSTITUTE . . .

The Institute of Urban and Regional Development serves the faculty and students of the University of California at Berkeley, conducting research into a wide array of policy-relevant questions. Its foci of inquiry are the processes of urban and regional growth and decline, the consequences that alternative styles of governance have for patterns of development, and the scientific bases for development policy and for policy planning.

Toward these ends, current research is directed to the economics of urbanization in the West and in the Third World; impacts of emergent technologies on economic development at local, regional, and national levels; techniques of environmental management; effects of using new energy sources; evolving patterns of suburbanization and central area reconstruction; evaluation of alternative modes of transportation; design of effective means for supplying social services; contemporary issues in housing policy; regulation of urban growth and uses of land; determinants of urban livability and the factors shaping urban life; and potential improvements in methods of analysis, evaluation, and planning.

The Institute's members are drawn from departments throughout the Berkeley campus; many of their research papers -- later published in professional journals and commercially distributed books -- are printed by the Institute as working papers, reprints, or monographs. A catalog of the Institute's publications is available on request.

Urban Poverty and the Welfare State: Comparative Reflections on Scandinavia and the U. S.

Peter Abrahamson
Department of Sociology
University of Copenhagen

Working Paper No. 481

July 1988

Institute of Urban and Regional Development
University of California at Berkeley

URBAN POVERTY AND THE WELFARE STATE: COMPARATIVE REFLECTIONS ON SCANDINAVIA AND THE U.S.[1]

1. Introduction

To some it may seem strange that a Scandinavian seeks help in the United States on welfare state matters. Conventional wisdom has it that the Scandinavian model of welfare state planning and development is superior to all others. Likewise, the United States has been seen as the least developed welfare society among modern industrial nations. Both may be true to a certain extent. But what is surely not conventional wisdom is that the Scandinavian welfare societies -- like most other modern societies -- are developing a dual character, indicating on the one hand a growing section of new middle-class citizens and, on the other hand, a growing population of marginalized, poverty-threatened, underclass citizens who are solely dependent on public transfers and services (Gustafsson 1984; Stjernoe 1985; Moller 1987).

What is probably an even better-kept secret is that the Scandinavian welfare states reproduce the societal duality which, in the first place, is caused by labor-market structuring, and results in distinctively different forms of collective consumption and distribution to the two different societal groups (Abrahamson 1987; Marklund and Svallfors 1987). The dual character of state and society is one of the major consequences of contemporary societal development. This I shall discuss with

---

[1]This paper was the basis for a lecture given at the "Geography Colloquium," Department of Geography, University of California, Berkeley, Oct. 15, 1987. Parts of the paper appear in different versions and contexts in my papers: "Dualization of the Welfare Society: Towards an Urban Culture of Poverty?," Working Paper No. 10/1987, Department of Sociology, University of Copenhagen; and "Urban Poverty and Social Movements in the U.S.: Reflections from a European Perspective," working paper, Institute of Urban and Regional Development, University of California at Berkeley, October 1987.

reference to the increase in urban poverty, and what the urban poor can do about it in alliance with other groups in society.

To put it very crudely, the increase in urban poverty in Denmark is due to two factors: First, we have experienced a tightening of labor markets, meaning that it has been increasingly difficult to enter the labor market both for the new generations and for the ones that are being expelled from it. Maintaining a position in the labor market has been more difficult for the young, elderly, unskilled, and women than for highly qualified males. This is not only the case in Denmark, but has probably happened everywhere else in industrialized societies. Anyway, in Denmark the consequences of changes in the labor market has, in short, been a substantial increase in **marginalization**: In 1984 about 25 percent of the population aged 18 to 65 were dependent on public transfers; in 1960 the same group amounted to about 10 percent (Knudsen 1985).

Second, at the same time as more and more people have become dependent on the state instead of the labor market, **public transfers have decreased** substantially, e.g., the buying-power of unemployment benefits decreased by 19 percent from 1978 to 1984 [Abrahamson 1985: 13 (Table 4)].

Third and last, the joint forces of state and market have created a growing population en route to poverty, or living on the fringes of a normal life. Furthermore, the majority of these people live in urban areas, which has pointed my attention to problems of urban poverty.[2]

---

[2]Also in congruence with the stereotypical perception of Scandinavian society, very little -- in the Danish case virtually none -- poverty research has been undertaken since the 1930s. So when poverty in the early 1980s suddenly became a political issue, the social scientific community (offenlichkeit) was very ill-prepared. Unfortunately, the social scientists were the last to recognize the social consequences of the societal development illustrated above. It was social workers and journalists who first brought attention to the fact that poverty was becoming a serious problem. One small poverty project was initiated by the Department of Sociology at the University of Copenhagen

To advance investigation into problems of urban poverty and what people can do about it, I have decided to do a project on **urban poverty and social movements in the United States reflected from a European perspective**. Some of the problems and my thesis will be outlined in this paper. There are two interrelated reasons for the choice of the U.S. One is that, because of the presence and extent of poverty in this country, a strong research tradition was evolved concerning these problems.

This is especially true, as I understand it, since politicians -- especially the Democratic Party -- declared an unconditional war on poverty in the 1960s.[3]

The other reason for choosing the United States is that the majority of initiatives to better the lot of the disadvantaged have had to come from the disadvantaged themselves in the form of non-institutional social movements.

This is, again, connected to the fact that the U.S. never has had a strong labor movement, hence never experienced solutions like a social democratic party's hegemonistic solutions. For better or worse, then, the old forms of the New World seem to be of great importance to the Old World since the collapse of the welfare state illusion. At least both the Right and the Left in Europe advocate solutions to social problems that in their form resemble the problems experienced in the United States for a very long time. The code word seems to be **intermediate bodies** -- various forms of co-operation between market, state, and private organizations (see, e.g., Evers 1987). Ironically, the moderate Left in the United States seems to advocate what is precisely the Scandinavian welfare state as the ideal to pursue in the American case.

(see Abrahamson *et al.* 1986). A part of this project dealt with consequences of long-term unemployment in the Copenhagen area.

[3]In a recent book book on the attack on the welfare state (Block *et al.*1987: 50), the authors quote a colleague's straightforward statement: "The War on Poverty and related efforts to create a Great Society [had] a major impact on the academic community in the United States. . . . A major social science research effort grew up beside, and partly because of, the War on Poverty."

2. Divisions of Labor: Dualization of Society?

If we take it to be an acknowledged fact that marginalization has hit large groups of the adult population in most modern Western societies, then the important issue is this: what does this marginalization mean to society in general and to those involved in particular? The West German sociologist Oskar Negt has tried to conceptualize the phenomenology of a modern dual society by introducing the terms **first** and **second reality** (Negt 1985). Inhabitants of the first reality consider it as "the best of all worlds"; they hold regular secure jobs, and they generally vote for parties in the center politically. An important part of life is from work, and they consider people without work as persons who have voluntarily left their part of society (Negt 1985: 62). This description can be seen as a resurrection of the term "**affluent society**," popular in American sociology in the post-war period, indicating a highly homogeneous population with a high degree of satisfaction about their lives. Negt writes that the inhabitants of the first reality shield themselves against societal experiences of conflicts and contradictions.

In contrast to this segment, the second reality is a very heterogeneous group with marginalization from regular forms of work being their only common situation. The absence of work, however, also puts them in a common situation regarding obtaining life necessities. Since wage work still is the "normal" way of obtaining means of subsistence in capitalist society, the unemployed are either dependent on the networks (e.g., family) or public support (e.g., social security, unemployment benefits, welfare, etc.).

American sociology and economics have for a long time discussed the dual economy in terms of a segmented labor market producing one segment of fairly secure and well-paid jobs as the primary segment, with a secondary segment composed of low-qualification jobs with great insecurity and low pay (see Piore 1975 and Gordon/Edwards/Reich 1982). This situation is thus not new. What is new is a tendency towards minimal flow between employment and unemployment within the secondary segment, leaving a great many potential workers without wage-work. Especially for the younger generation, this situation makes it meaningless for them to picture themselves as part of the regular

work society. And this is not the workings of an immature capitalism; on the contrary, these tendencies toward large-scale marginalization occur within the highly developed welfare societies.

Within parts of West German and French sociology, these changes in the structuring of the labor market have been discussed in terms of a movement from **Fordism** to **post-Fordism**. Especially Joachim Hirsch (1985), but also British scholars like Bob Jessop (1986), have favored this concept to understand present societal conditions in modern capitalist societies. Hirsch finds that, despite all national differences, Fordism has been in a deep crisis since the 1970s. Whether the result of this crisis will be a qualitatively new capitalism -- called post-Fordism -- is dependent on the development of political struggles within modern society. These struggles will have to work against the traditional functionalizing of resistance as the old labor movement has been advocating, since parts of the crisis of Fordism are related to problems within the labor movement.

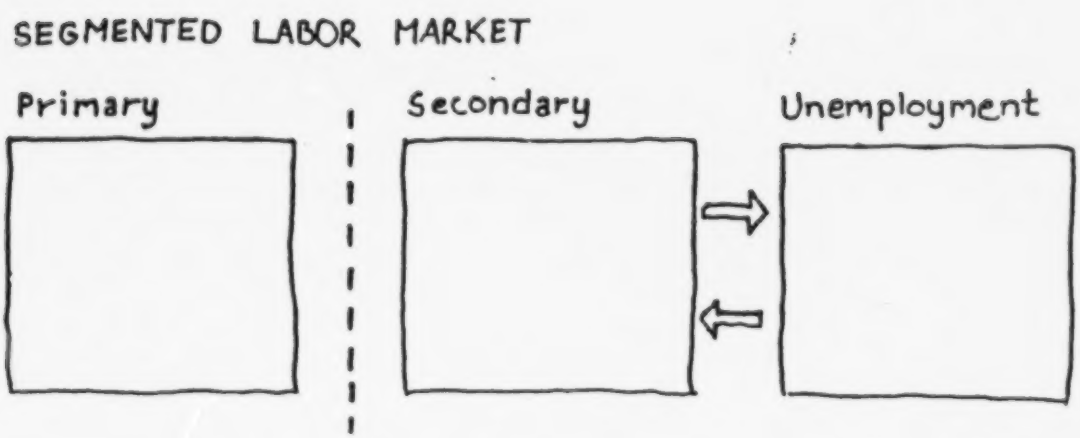
To summarize, we can quote Claus Offe:

> A highly developed industrial capitalist society guided by a highly developed welfare state evidently tends to exclude increasing portions of social labor power from participating in the sphere of wage labor. (Offe 1985a: 147)

In the quotation by Offe above, it is indicated that not only the labor market but also the workings of the welfare state produce a societal duality. This line of thought is in opposition to the mainstream social democratic welfare state consideration, where the state is seen as an opponent to the market. Where market equals competition, state equals solidarity, hence state policies should be encouraged to combat the malfunctions of the market. Arguments following the above paraphrased line of thought -- evident in the works of, e.g., Esping-Andersen (1985) and Esping-Andersen and Korpi (1984) -- do not seem able to grasp what was suggested by Offe above, namely, that contrary to

Figure 1.

Labor Market Segmentation



Source: Inspired by Edwards/Gordon/Reich 1982: 165-66.

conventional wisdom the modern welfare state reproduces the dual character of the labor market, a notion I will discuss at length in the following section.

3. Dualization of the Welfare State.

In a famous lecture, Richard Titmuss made a distinction between three categories of welfare:

> Considered as a whole, all collective interventions to meet certain needs of the individual and/or to serve the wider interests of society may now be broadly grouped into three major categories of welfare: social welfare, fiscal welfare, and occupational welfare. . . . It (this division, PA) . . . is related to the division of labor in complex, individuated societies. (Titmuss 1958: 42)

With the division of labor follows an increase in labor specificity, which -- still according to Titmuss -- is one of "the outstanding social characteristics of the twentieth century" (Titmuss 1958: 43). What Titmuss does is to discuss the development of these three welfare categories, the first two related to the state, the third related to the market, in order to see if and how they contribute to societal equity. Not very surprisingly, the latter, occupational welfare, follows the structures of inequality already predominant in the labor market dependent on qualifications, etc., and it is rightly seen as a tendency to "divide localities, to nourish **privilege**, and to narrow the social conscience. . . ." (Titmuss 1958: 52, emphasis added). What is more surprising, and a challenge to the social democratic welfare state project, is the conclusion that all three systems are "simultaneously enlarging and consolidating the area of social inequality" (Titmuss 1958: 55).

Titmuss was correct in his judgement about the division of welfare in a modern capitalist society. Even some 30 years later they act as a fine guide to an investigation into contemporary welfare state development.

4. Dualization of the Scandinavian Welfare State

By following the distinctions made by Titmuss with reference to the stratification of social policies, dualization of the welfare state can be illustrated with a few examples from the Scandinavian countries.

a. Social welfare (the Swedish case)

Many scholars and commentators see the Swedish welfare state as an example of an institutional welfare state close to the ideal type presented by Titmuss (1978). It may, therefore, come as an unpleasant surprise to some that the structuring of welfare policy in Sweden actually has a dual character, leaving two parts of the population with very different opportunities in regard to income compensation and services in case of sickness, unemployment, childbirth, old age, disability, etc.

In general, the Swedish social insurance system has a dual character based on a basic level (equivalent to or below subsistence level) or the basic level plus supplements, **depending on labor market performance**. The primary criteria for receiving benefits from the social insurance system is the willingness to sell one's labor on the labor market. Then, if this criteria is met, one collects benefits according to the duration -- and pay received -- in connection with performance on the labor market. This structure leaves people with little or no labor-market performance, -- for whatever reasons -- with extremely low levels of benefits, and overall insecure living conditions. As summarized by Marklund and Svalfors, the marginal groups form a specific low layer in the stratification of the Swedish welfare state:

> Non-working and marginal persons on the labor market obtain marginal positions even in the social insurance system, while wage-earners obtain positions in the core group's income- related programs. The size of the marginal group varies between 10 percent and 35 percent in different programs. . . . The compensations paid to this group are very low and even have a tendency of lagging behind those of the core group in process of time. (Marklund & Svalfors 1986: 31)

Marklund and Svalfors conclude that the Swedish system discriminates against groups who have not themselves chosen to be placed outside the labor market, like women, youth, and the disabled. They are ". . . innocently hit by the effects of the dual welfare system" (Marklund and Svalfors 1986: 31). They also conclude ". . . that neither worries about 'the disincentive effects' of the welfare policy nor hopes of its gradual 'decommodifying' of wage work, are very well founded." (Marklund and Svalfors 1986: 31) This last point concerns the idea presented by scholars favoring social democratic understanding of welfare state development, like Esping-Andersen (1985). Unfortunately, the present

welfare state does not counteract the workings of general processes of structuring immanent in modern society. I do not suggest that this cannot be the case; only that, so far, it has not been the case. Hence, the apologists of the social democratic welfare state project are wrong on this point.

b. Fiscal welfare (the Danish case)

Danish pension policy demonstrates a clear example of dualization tendencies within welfare provisions. In line with principles of an institutional welfare state, everybody in Denmark at the age of 67 is entitled to an old-age pension from the state. The amount, however, is so small that it barely covers subsistence expenses. Along with this system of social welfare pension system, the Danish legislation offers massive tax deductions to individuals who save up for their old age. Hence, white-collar trade unions have made it an important point to fight for pension schemes in negotiations with the employers; negotiations have been carried through successfully by white-collar salaried employees. On the other hand, the unions for un- and semi-skilled workers have not had the strength to fight for additional fringes like pension deals -- or have not wanted to trade higher wages for pensions, given their current low pay-rate. With the development of "private" pension schemes in Denmark, we see a combination of fiscal and occupational welfare, allowing the better-off groups on the labor market to demand and achieve pension benefits that enable them to live a secure life in old age. In contrast, the weaker segments are left with nothing but a meager state pension. The billions of Danish crowns invested each year by pension funds arrive free of tax, and are only taxed moderately when finally paid out to the older members of the pension funds. In addition to the trade-union-controlled pension funds, or as a supplement, Danes can arrange individual pension saving schemes through financial institutions like the banks. These contributions are tax-free, and, of course, are only possible for people earning more than they must spend on basic living necessities at any given time (see Vestero 1985).

A parallel system exists in the field of housing policy in Denmark. About half of all Danish households own their home -- or, rather, possess the deed to their home -- while the other half live in tenements, owned by either private landlords or building corporations. For the former, the tax deductions on all all interest accumulated on loans make it possible to purchase a house or a flat,

because the state "pays" up to half of the expenses in the form of tax reductions. So, clearly, the Danish housing market shows the same duality as the labor market, basically **because of** tax reduction incentives.

c. Occupational welfare (the Norwegian case)

In the early 1980s a survey of fringe benefits was carried out in Norway, concluding, not surprisingly, that ". . . the spread and extend of these services [fringe benefits] help to aggravate the inequalities between wage earners and groups outside economic life with regard to their welfare situation." (Hoven 1982: 68) As mentioned above, pension schemes are an important part of fringe benefit systems, made possible by a combination of tax subsidies and pay-trade offs made on the labor market, and dependent upon a corporatist organized as such. Class collaboration is a precondition for such a development, or -- at least -- has been so in Scandinavia.

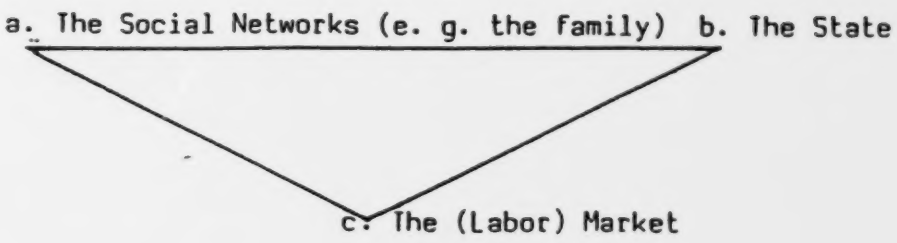
5. The Welfare Triangle -- System- and Life-World

Our era, by some named **late capitalism** (e.g., Mandel 1976), by others called **disorganized capitalism** (Offe 1985a), and by yet others conceptualized as post- something [post-industrial (Touraine 1981), post-modern (Lyotard 1982)], is also understood as the beginning of a new kind of society. The new societal forms are being discussed as "the Information Society" or as "the Service Society." This apparent confusion about the conceptualization of present modern society is to my mind closely related to actual societal changes in production and reproduction occurring in most Western societies since the late 1950s or early 1960s. These changes concern such important issues as the societal division of labor and resource allocation systems, i.e., both production and reproduction. The capitalist division of labor has developed along the lines indicated above, i.e., through **segmentation and marginalization**, emphasizing service sector work -- including a lot of women who have moved into the labor market -- at the expense of traditional industrial production. Related to this development is the expansion of state intervention, which has meant a change in the importance of the different resource allocation systems.

Graphically, an individual's resources can be seen as dependent on the three sides in a "support triangle" shown in Figure 2.

Figure 2

The Support Triangle in Modern Society



Source: Elaborated in Abrahamson et al. (1986b)

Traditionally, people have had to rely on the networks and the market. Now, however, the activities of public agencies are an important part of support for a great number of people. One can say that the state side of the triangle has expanded over time, and simultaneously the network side has subsided. This situation is very much due to the workings of the labor movement.

Capitalism has always known social movements; and one of the most investigated social movements is the labor movement. This is true in Europe, but may not be so in the United States. The vast interest in the labor movement is due to two factors: (1) To begin with, because it was expected that the labor movement's collective actions would bear a new society within it (socialism, communism, anarchism, or whatever label) and thus pose a threat to the ruling classes; and (2) later, because the labor movement in many modern societies actually took part in shaping society, especially by advocating construction of the welfare state.

When French sociology started discussing "new social movements" during the 1960s, the discussion had to do with the identification of new societal forms occurring in a number of instances. Early capitalism was identified with industrialization, while late capitalism is identified with changing possibilities of communication and knowledge: "informationalization." New social movements are identified with movements in a specific historical epoch, i.e., the late 1960s, or more precisely 1968. In an extensive and inspiring discussion of the works of Touraine, Peter Kivisto states, that "May 1968 is . . . a sign of the birth of new social movements." (Kivisto 1984: 360; emphasis added)

It is my thesis that the new social movements are in congruence with what Touraine calls the "programmed society," while the old social movements, e.g., the labor movement, are in congruence with early industrial society. Hence, in the present societal situation, the one after 1968, the actions of the old social movements -- such as political parties and trade unions -- are apologetic towards the social democratic welfare state project, while the new social movements support social transformation, in opposition to the state. The labor movement is viewed as action oriented to integration into the existing social structure; the new social movements as trying to transform the existing order. So, at

least, is the way social movements view themselves, as observed by, for example, Eder: ". . . a new self-image of a social movement has emerged different from that of the labor movement." (1982: 6)

Touraine himself puts it very simply: New social movements are new social conflicts. (See Touraine 1985: 774.) That is, he finds that the essence of social conflict has changed, which allows for the term, "new social movement."

This line of thought can also be found in some of the ideas expressed by the German sociologist Jurgen Habermas, in his discussion of the "system- and life-world." The system-world conceptualizes the domain of functionalist forms of rationality: forms dominant in the acting of state and market, through the media of money and power, or exchange value and bureaucratic power. In contrast, the life-world is organized by aesthetic-expressive forms of rationality. In his recent major work, *The Theory of Communicative Action*, Habermas uses this distinction to discuss the existence of new social movements:

> Within the last one or two decades conflicts have developed in Western capitalist societies that in many respects differ from institutionalized conflicts of distribution of welfare state pattern. [The conflicts] are no longer set off within the areas of the material reproduction, they are not channeled through parties and unions, and they are not eased by compensations conform to the system. On the contrary, the new conflicts emerge within the area of cultural reproduction, social integration, and socialization; they are fought within sub- institutional -- or at least extra-parliamentary forms of protest -- and these basic absentees reflect a reification of communicatively structured ways of acting that cannot be dealt with through the medias of money and power. (Habermas 1985 [1981]: 247-48; my translation.)

According to Habermas, then, the social movements are acting in accordance with the logic of the life-world while the labor movement -- with its tight attachments to the welfare state -- is confined within the logic of the system-world.

6. Urban Poverty in Copenhagen

From a purely quantitative standpoint, it can be stated that the city of Copenhagen (the capital of Denmark) possesses a number of special characteristics in comparison with the country as a whole. These special characteristics all point to the relative disadvantage of the city. It has more social

problems than the country on the average, and it has fewer resources than average to solve the problems. In the appendix, I have indicated the relative changes over the last ten years as they stand out statistically.

The appendix shows that the city of Copenhagen -- which is, by and large, the inner city of the Copenhagen area -- has a concentration of relatively disadvantaged people, and disproportionately fewer resources, irrespective of whether we count people of working age and capability or the value equivalents of income and wealth. What we cannot see in these statistics is what people feel about their situations, and what they try to do about them. However, some of this will be discussed below when I turn to other methods and sources.

From a more qualitative perspective, Scandinavian and European poverty has been discussed under the title of **new** forms of poverty. What exactly is new about contemporary poverty is, however, not always clear in the debate. Within the European Economic Community (EEC), emphasis has been placed on the occurrence of long-term unemployment as a major problem and as a major contributor to the development of poverty. The effects of long-term unemployment is only newly regarded within a very short historical perspective, involving the period from around 1958 to the mid-1970s. For about 25 years, most parts of Western Europe (and not the least the Scandinavian countries) experienced a very unusual capitalist development, known as the period of **full employment**. The period was characterized by average unemployment rates about or under 2 to 3 percent. If seen against this background, massive unemployment and increasing long-term unemployment is a new phenomenon; but if seen against the background of capitalist development over the last 100 years, we are rather back to normal. Yet it seem increasingly difficult to move in and out of the labor market, as has often been the case earlier this century, so the term "**marginalization**" is probably the best way to characterize the new social consequences of employment patterns.

First of all, the most striking fact about modern forms of urban poverty in Scandinavia is that, to a large extent, it is **invisible**; that is, it does not stand out like the poverty related to the homeless or the shopping-bag ladies, for example. Modern urban poverty is hidden away behind the walls of newly

constructed public housing. So, the substantial changes in housing stock in the Scandinavian countries that have occurred over the last 15 or 20 years have a big influence on the appearance -- or rather, the lack of appearance -- of poverty. On the other hand, housing is a very important element in the development of new forms of poverty. The planners' idea of building our way out of slums and visible poverty in the cities presupposes the maintenance of the new form of reproduction within working class, namely the **two-income family**. This is necessary because the rent in new tenements is much higher than what people used to pay in the old working-class neighborhoods. To be sure, the standard of living is much higher, since tenants can now enjoy hot showers, well-equipped kitchens, central heating, etc. However, the price paid has been an enormous increase in the share that housing constitutes of total disposable income. The Scandinavians, especially the Danes and the Norwegians (the situation being somewhat different in Sweden), have been willing to pay this price as long as they could. They have not had much choice, since the majority of the old housing stock no longer exists or, if it does, it has been renewed to accommodate the new urban middle class at prices equal to housing in the suburbs. Even if a working class family could afford the rent in the renewed city houses, most of them would choose suburbia.

However, since the employment situation for a lot of working-class people -- especially women, unskilled men, and the elderly -- never recovered from the consequences of the oil crisis of the mid-1970s, they now have to depend on unemployment, pension, and social welfare benefits for income. Not surprisingly, these benefits are not as high as wages; this makes the housing cost weigh even harder on many working-class budgets. Furthermore, over the last five years -- with a conservative government in office -- the benefits have decreased much more than wages and salaries. This is the situation we started to look into in the "Poverty Project." In order to pursue this discussion, a number of colleagues and I at The University of Copenhagen's Department of Sociology initiated a small poverty project in 1984 (see Abrahamson et al. 1986). The qualitative part of the study limits itself to the consequences of long-term unemployment in the Copenhagen area, drawing upon about 20 in-depth interviews lasting two hours on the average. While this material is not statistically representative in any respect, it reveals some of the same forms of poverty and ways of managing as

Stjernoe (1985) found in Norway. Below I shall briefly mention a number of findings from these two Scandinavian studies.

Stjernoe coined the phrase, "**the tyranny of scarcity**" in his study of modern poverty in Norway. We found this to be a very precise definition of what modern urban poverty is about. For most people in Scandinavia, absolute poverty, if understood as famine **and** homelessness, is virtually non-existent. But if we view poverty in relative terms, which we favor, then poverty has to do with being unable to live a "normal" life. And it is precisely within the concept of relative deprivation (Townsend 1979) that we can talk about the tyranny of scarcity.

In the Copenhagen study, we found that people struggled very hard to try to obtain a normal life, but most of the time they failed to do so, because of limited resources. One major consequence is **withdrawal from society**, since most activities in modern society cost money. Sometimes, but not always, the withdrawal from the regular societal forms and relations meant **isolation** followed by psychological problems. Often, though, people demonstrated an impressive capability for fantasy when trying to cope with a situation relieved by few resources. Most of these strategies developed by the long-term unemployed can be characterized as **individual strategies** which entail using the great amount of free time that the unemployed have at their disposal. By and large, all the strategies involved cutting the cost of consumption goods, either by preparing them themselves or by shopping around for hours, finding second-hand options or just cheaper prices. Interestingly, only a few interviews revealed "shadow-work" as a pursued strategy to supplement the meager income.[4] This is in congruence with other studies stating that "shadow work" is undertaken by people already in employment; this population is mostly skilled (male) workers (Mogensen 1986).

---

[4]Of course, people avoid revealing their unlawful behavior. We cannot prove that what we were told is the truth; however, all interviewed persons were asked about shadow-work, and most of them said they would very much like to make some mony on the side, but opportunities were scarce. So they were not afraid of saying that they approve of shadow-work.

In relation to the gender perspective, we discovered what can be termed **the political economy of divorce**. In most instances, women are the losers in fundamental changes in family or life situations; and, for middle-class women, they are often the losers after divorce, since their reduced income has dire impacts on their standard of living, such as loss of their homes. Anyway, in our sample, we found the opposite pattern occurring: In practically all cases of divorce, the men are the losers, resulting mainly because the children often stay with the mothers after separation. Since low-income urban dwellers live in tenements, the women would in many cases be able to keep the apartment with the help of social welfare transfers, though not avoiding poverty in so doing. Hence, voluntarily or not, the men left the home. When we met them, they were often sitting in a smaller, scarcely furnished modern apartment, paying a relatively high rent, and having left behind most of the household items "to ease the situation for the kids."

An example of a movement involving poor urban people in a fight against the Danish welfare state is the following. One of the youngest grass-roots organizations directly focusing on the situation of claimants, unemployed, and other potentially poor is the B-team[5]. This is an initiative started at the grass-roots level, the claimants organizing themselves around practical issues regarding the life of the pauper. The B-team is thus a Danish vision of the British claimants' unions. The activities are organized on a self-help basis and deal with both material and existential problems. One activity is the "accompanying-function": When a claimant is going to the social assistance office, a friend from the B-team accompanies him or her and assists in the discussion about the amount of transfers and services that they are entitled to but cannot easily obtain from the offices. Through these activities, the B-team abolishes isolation as one of the biggest problems to claimants facing the caseworkers. The

---

[5]The B-team got its name from a speech delivered by the former Social Democratic Minister of Education Ritt Bjerregaard, who emphasized and criticized the division developing in Danish society between a group of affluent workers and citizens (the A-team) and a growing group of the marginalized (the B-team).

accompanying group also blacklists "impossible" case workers by functioning as a network of information about the different officers and offices in the city.

Other activities involve communicating experiences for surviving as a pauper: where to get cheap food, how to obtain a cheaper apartment, etc. These activities also involve a number of cultural activities, which suggests that the members of the B-team see themselves as part of society other than that of the majority of "work-maniacs." They do not accept low levels of benefits, but they do not advocate work for everybody; instead, they create their own social structures as a subculture in Danish society. (Source: *Kobenhavn 1986*)

7. Urban Poverty -- The American Way

Urban sociology has always been concerned with poverty, since large parts of urban dwellers have been living in such conditions. With reference to the development of the urban crisis in the United States, Manuel Castells has stated that the contradiction between growth and poverty was most evident in the crisis of the inner city (Castells 1980: 200).

In a recent review of the research and theoretical writing on urban poverty," published by Wilson and Aponte (1985: 231), it seems that urban poverty is simply poverty occurring in the city. According to the review, the only special thing about urban poverty is **concentration**, since there are more poor people in the metropolitan areas, especially in the inner cities, than anywhere else. This conclusion could seem a meager point after having cited 164 titles on urban poverty, and perhaps the authors have bitten off more than they can chew in claiming to have reviewed "**theoretical** writing on urban poverty" (emphasis added). The only theory on poverty discussed in the article is the concept of "culture of poverty" as put forward by Oscar Lewis in the 1960s. Concepts of "relative deprivation" (Townsend 1979) or "feminization of poverty" (Erenreich and Piven 1985) -- to mention only a few -- do not appear in Wilson and Aponte's theoretical" section. Furthermore, the **urban issue** is not discussed either, apart from the simplified use of it to indicate income poverty in metropolitan areas.

Hence, without any theoretical insight into problems of poverty and urbanism, Wilson and Aponte are left with quantitative research about income poverty in the cities, albeit this quantitative material seems to foster some knowledge about qualitative changes in urban poverty. At least such a phenomenon is identified to have occurred in the mid-1960s: They identify some fundamental transformations in the composition and characteristics of the urban poverty population, and see these as causing ". . . a qualitative shift in urban poverty in the mid-1960s" (Wilson and Aponte 1985: 239). They refer to the increasing incidence of female-headed families among black and urban settlers: "In 1960, 22 percent of all black families were headed by a woman, by 1982 that figure had climbed to 42 percent. Furthermore, . . . the problem is concentrated in urban areas" (Wilson and Aponte 1985: 240). This is what has been conceptualized as feminization of poverty, and quantitative research has apparently been able to identify such a phenomenon. More important is that this kind of investigation has no opportunity to point to social movements among the poor that are fighting to change present situations of deprivation. Here we have to consult branches of qualitative social scientific research.

A parallel conclusion can be drawn from reviewing a recent article by Richard Nathan (1987) about the development of an American underclass. Here he identifies the use of the term underclass as an indicator of ". . . a distinctive structural change in social conditions in the United States over the past two decades. . . ." (Nathan 1987: 57) This structural change is the development of an **urban** poverty among ethnic minorities: The underclass is an ". . . expression for the concentration of economic and behavioral problems among racial minorities (mainly black and Hispanic) in, **large, older cities.**" (Nathan 1987; emphasis added.) Later on he says that ". . . the underclass is a distinctively urban condition involving a hardened residual group that are hard to reach and relate to. This condition represents a change in kind, not degree. . . ." (Nathan 1987: 58) The reasons for the difficulty in reaching the urban poor, according to Nathan, are centered on issues such as the minority status of the urban poor; their refusal to vote, i.e., participate in regular political activities, including getting support from ordinary interest groups.

The basic concept of poverty policies in the United States seems to be workfare. (See, e.g., Block et al. 1987: 38-39.) The destitute should be provided jobs instead of being passively supported by the public this policy advocates. Nobody would deny that another distribution of existing work would benefit the unemployed and thereby the majority of the poor. Where we encounter problems are in regard to the means of carrying through another distribution of jobs or -- as is preferable to some -- the creation of new and more jobs. For Nathan, the initiative should come from the established political institutions, and he goes so far as to state, "We make our greatest progress on social reform in the United States when liberals and conservatives find common ground" (Nathan 1987: 62). And he ends up by suggesting, "Confidence rather than deference is the essence of this new approach to social policy" (Nathan 1987: 62).

Nathan, like Wilson and Aponte, expresses an astonishing naivety concerning the history and essence of poverty politics in the United States. American social science has thoroughly documented, and affirms research from many other places, that the lot of the poor only changes when they are "rocking the boat," i.e., challenging the existing social order. Already in the mid- 1960s, Herbert Gans knew this, and he also knew what would be needed to change the situation of the urban poor. With reference to the actual debate on housing the poor and urban renewal, Gans criticized the whole concept of public housing, stating, ". . . poor people should not be relegated to ghettoes, but should be enabled to participate in the housing market like everyone else" (1969 [1965]: 544). By this he meant that the best program of urban renewal would be to bring the living standards of the poor up to American standards (Gans 1969: 545).

In retrospect, it is very interesting to see what proposals Gans forwarded in the mid-1960s regarding urban poverty. He considered four different issues in order to do away with poverty: "abolition of unemployment, raising of incomes, elimination of racial discrimination, and improvement in municipal and social services" (1969: 546). And, as a fifth issue, he added "improvement of the physical environment **for the low-income population**" (1969: 548; emphasis in original). For a relatively short period of time these issues were addressed by legislation in the United States (see, e.g.,

Piven and Cloward 1977; 1982). The issues were addressed not because a lot of people felt sorry for the poor; but because the poor were able to mobilize militantly, challenging the existing social order and thereby forcing concessions from the ruling classes. This perspective was inherent in Gans's article of 1965 when he wrote:

> Present housing, anti-poverty, and public welfare policies are only making sure that the non-white people of the city will become what Gunnar Myrdal calls the underclass, a poorly housed, poverty-stricken and unemployed urban proletariat. If white affluence increases further, and if the promise of anti- poverty legislation is not matched by results, the non-white poverty-stricken city dwellers will become angrier and more hostile to the whites who run the city's economy and political life. **If their living conditions are not improved and their needs not met, political protests and riots are likely to become commonplace.** (Gans 1969: 551; emphasis added.)

These challenges often take the form of social movements. Therefore, I will return to the discussion of social movements -- movements that muster elements of resistance and change.

8. The Claimants' Society: Towards an Urban Culture of Poverty?

One of the main concerns of sociology has always been the stratification of the population, making "**class**" one of the key categories of the discipline. Current changes in class structure stems from radical changes in societal production and reproduction systems. Above, I have tried to illustrate these changes, emphasizing marginalization, pauperization, and dualization as central elements describing present modern societys. The impact on stratification and class division seems to be the creation of a claiming class. When one-third of Irish households receive and are dependent on social benefits (Danish TV 1986), when about 25 percent of all Danes age 18 to 66 are living on public support (Knudsen 1985) (one-quarter of the potential work force), when the same goes for the Federal Republic of Germany, the United States, and many other modern welfare states (Negt 1985), when -- in short -- somewhere between one-third and one- quarter of the potential work force are kept out of work, with no immediate hope of joining or rejoining the employed working class, it is tempting to consider possible societal consequences of marginalization of that magnitude.

One major problem arising in this context is the conceptualization of the claiming class. First of all, the claiming class does not qualify as a class as the term is generally understood. Since the claimants per se are excluded from formal forms of work, they cannot be given their class position with reference to their place in the societal production process. They are, as suggested by the Danish sociologist Bild (1985), economically redundant or superfluous. Their connection to their means of subsistence is the state, which is the source of their public transfers. This situation gives them other opportunities for pressure than those of the "true" working class, which has the power of withholding labor, thus refusing to produce surplus value, and thereby challenging the ruling classes. With the clairnants, they only have their numbers and anger as means of pressure. As history shows, the poor can produce riots and loot, challenging the existing social order and, by so doing, perhaps changing their situation.

In *Adieux au Proletariat*, Gorz suggests that Sartre's concept of the series may prove useful in describing the situation characterizing the claimants -- or, in his words, the non-class of non-workers. In *Critique de la Raison Dialectique*, Sartre distinguishes between the series and the group, and he indicates a relation of interchangeability between them (Sartre 1967: 68-70). What at one time might be a series might later become a group and vice versa. The series is characterized by alienation, while the group is characterized by solidarity. The series is like pearls on a string in that they are held together by the string, an external relation, while the group is held together through an organic principle (solidarity). One of Sartre's most common examples of the series is people waiting in line at a bus stop. Their inter-relations are alienated. Claimants find themselves in a similar position, confronted with the institutions and executors of the modern welfare state. Collective action is not as simple as group or class actions. What must be investigated empirically is whether the claimants develop forms of collective action, thus changing them from a series to a group in Sartre's meaning. I will touch upon this problem below.

Unfortunately, we may have to reconsider Oscar Lewis's term, "**the culture of poverty**," in order to grasp what is happening to contemporary society. If prospects of regular employment are

virtually nonexistent for the poverty population, if they were raised on public transfers, and if they have always depended on public transfers for support, their life strategies cannot be expected to be directed towards upward social mobility, as perhaps was the case earlier. On the contrary, it must be expected that the marginalized segments develop strategies for their lives that build upon the opportunities open to them in their environment.

The unsystematic references to the development of Scandinavian welfare society do indicate a dualization of the same societies. This situation has long been the case in the United States, and one of my sources, Negt, went so far as to say that massive marginalization dominates in most modern welfare societies. If this trend is correct, the crucial question is whether the marginalized create societal forms of their own, in regard to interest articulation, forms of work and leisure, etc. To fight marginalization and pauperization, a number of movements or organizations arose in Britain. Of particular interest to this discussion is the development of **claimants' unions** that took place in the early 1970s.

The Claimants' Union is potentially a mass movement of paupers anticipating the workhouse. A movement which starts amongst the social outcasts; the dropouts and the misfits, the industrially maladjusted, the anti-authority and the way-out political; spreading to the angry and frustrated, the long-term unemployed with no prospect of employment, the middle-aged rejects of industry and those who have been carelessly maimed or debilitated by it; spreading further to include the stigmatized poor, the low wage earners, the large families and the others whose forced labour brings them less than a living wage. (Jordan 1973: 23)

Now, in the latter part of the 1980s, we know that the claimants' unions could not stand the pressure established by the conservative government combined with the general lack of support from organized labor. On the other hand, I would find it too hasty to write off such organizations for the present. In Denmark we have seen the emergence of a number of organizations among the poor

themselves over the last couple of years, a situation developing side-by-side with rising emphasis on various forms of self-help within social policy measures. (Compare the discussion above about the B-team.)

9. Conclusion

I have wanted to emphasize that the division of welfare state services and transfers performs a societal differentiation parallel to that of the labor market. So, contrary to the belief of traditional reformist welfare state builders and analysts, there is no reason to connect any hope of bettering the lot of the urban poor to the development of the modern welfare state. Because things are not as Esping-Andersen and Korpi, for example, wants them to be when they advocate an understanding of the welfare state as the incarnation of solidarity in contrast to the individuality and competition of the market. The modern welfare state acts in **congruence** with the divisions (dualization, I have tried to argue) of the markets, primarily the labor market, but certainly also the housing market, among others. Both market and state are, as Habermas discusses them, part of the system world, colonizing the life world of civil society.

I do not intend to argue that it has to be so, that dualization of all dimensions of human reproduction is inevitable. Rather, I see divisions of labor and divisions of welfare as subject to the same struggles that confront a stratified population of potential and actual wage-laborers. And unfortunately, the interests pursued by different groups in society conflict. Therefore, we have so far experienced a differentiation of human reproduction tending toward a dual society -- that is, instead of trying to be in congruence with social democratic ideology, an ideology being very far away from the reality of most welfare states. Instead of amplifying an understanding of present welfare states as opposed to the development of markets, I have found it more promising to advocate a critical stand and point to actual movement towards a dual welfare state. This means I am not trying to congrue ideologically with social democracy, which is an ideology distant from the reality of most welfare states.

Since we cannot rely on the social democratic welfare states to achieve a better world, we must turn to the possibilities inherent in the heterogeneous dynamics of the "second reality" mentioned earlier. Here, it is a question of developing social movements that can pressure for changes and oppose the tendencies of the last decade. This cannot be done by the marginalized alone. It has to happen in coalition and collaboration with segments of the privileged working class, segments that are inspired by forms of life evolving within the second reality. The development of various social movements in modern societies during the last couple of decades indicates a possibility of such a coalition. Whether it will become a reality in a near future I dare not predict here; but we do not have any other choice than fighting for it, if we believe that suppression and vast inequality should belong to the pre-history of humankind.

Apart from the immense problems we all can foresee resulting from major positive changes within social democratic parties and unions, and also within their communist counterparts, there seems to be small signals of improvement around issues put forward by women, youth, and other groups strongly associated with the new social movements. Offe identifies three conceivable factors which would allow for an alliance between the old Left and the new social movements:

> First, the new middle class element within social democratic parties . . . may already be sufficiently strongly entrenched within their leadership so as to offer effective resistance to any unconditional retreat of social democratic policies to the "productivist" philosophy of economic growth and to traditional conceptions of military security. Second, the very nature of the economic crisis may render the prospects for renormalization . . . sufficiently unrealistic to weaken the more "traditional" resistance to such a reorientation. . . . A third factor . . . is the fact that all of the major social movements are able to make positive reference to and even draw upon more or less defunct, forgotten, or repressed ideological traditions of today's socialist, social democratic, and communist parties and other working class organizations. (Offe 1985b: 866-67)

This cannot happen, however, before the traditional welfare state model is given up as the guideline for political action. Intermediate bodies and self-help are the only way to distribute services to people under their own control. Anyway, simply the term "intermediate body" does not guarantee user control, but the history of many contemporary social movements proves that such possibilities exist.

Whatever the possibility of such an alignment, it is the only one worth fighting for, since it is the only one that can do away with the old political paradigm that guided development after World War II and created the welfare state, a welfare state that never has been capable of helping the poor.

From an American perspective things might appear different, but I do not think that they actually are much different. The welfare state basically redistributes resources between individuals within the same class: and, within the class, the resources go from the working to the non-working. The most honorable reason for not working is generally to be a child or an elderly person, and these two groups are also the ones that receive the most through public transfers and services (education on the one side; pensions and health care on the other). But children of the poor, the working class, the middle class, and the upper class do not receive the same education; likewise, the means and effects of redistribution to retired people are not the same for people of different class background. The poor belonging to the underclass receive very little, as can be expected by definition. So they must have resources transferred from the other and more prosperous groups in society. In order to achieve that, they must fight for it by challenging the existing social order; they must threaten the other classes to get concessions. Usually, the poor only get very little. As Titmuss was often fond of putting it: "Services for the poor are generally poor services" (quoted from memory). If this situation is to change, new forms of collaboration and new forms of resource allocation and redistribution must come about. The new social movements appear to be a materialization of such new forms of collaboration between people from the new middle class, the old working class, and the underclass. Also, the practices they undertake seem to allow for self-managing and self-control. However, there is a very long way to go before a majority of the population in any given modern society will recognize that mutual help and respect are the only way to escape the inequalities and injustices of society.

Appendix

As Table 1 shows, the city of Copenhagen has lost about 10 percent of its population over the last ten years, while the greater Copenhagen area only lost 2 percent; and the Danish population as a whole stayed nearly constant (a growth of 0.7 percent).

Reduction in population is not by itself a bad sign; what matters is the composition of the population as much as its size. Figures 1 and 2 shows the population pyramids for both Copenhagen and Denmark now and ten years ago.

The general picture is that the Danish population is getting older, and the major differences between the development in the capital and the country as a whole is that while the old only constitute about one-fifth of the total population, about one-third of the city's population is elderly, as shown in detail in Table 2 below. An old population is an expensive population in the sense that they consume resources while having already used most of their own. Hence health care, special transportation, housing, 24-hour institutions, and special services are directed mainly towards the elderly.

Finally, the demography of Copenhagen tells us that the general tendency towards more single people is stronger in the city than in the country as a whole. This tendency is countered by a tendency towards increasing cohabitation. However, the rise in cohabitation does not compensate for the decrease in remarriages. (See Table 3 and *Living Conditions in Denmark. Statistical Compendium 1984.*)

The demographical trend towards a population composed of fewer children, many more very old people, and fewer married couples can be partly explained by the development of the industrial structure in the greater Copenhagen area. Manufacture has lost 230 plants out of 680 over the last ten years, and for employment this has meant a reduction from about 50,000 to about 30,000 people. The trend is clear, as shown in Figure 3 below.

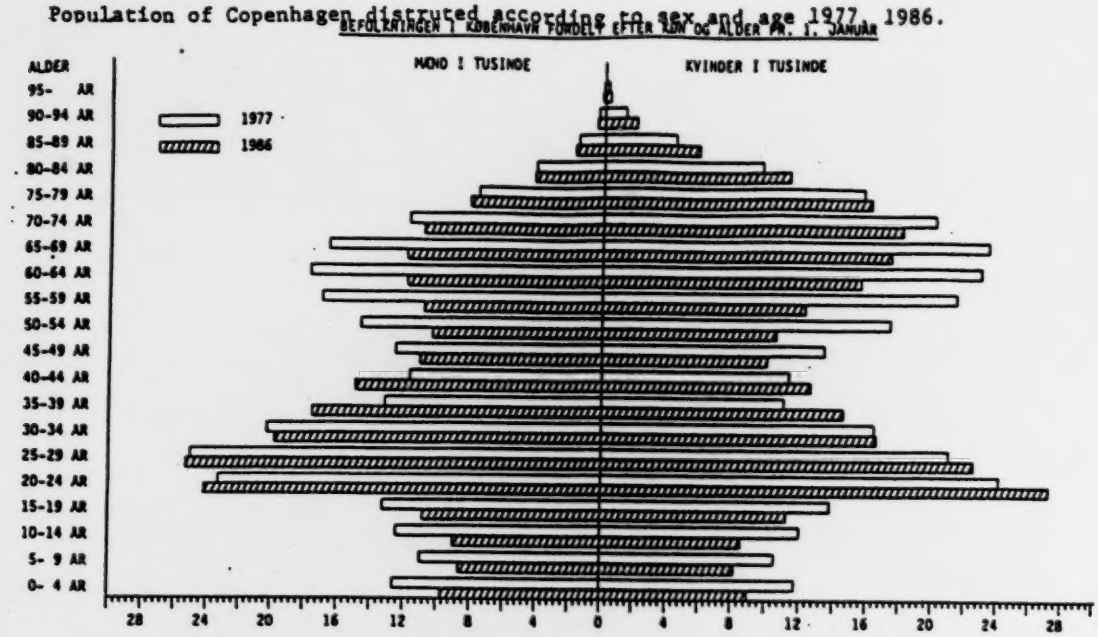
Table 1.
The Danish population distributed on Copenhagen, Greater Copenhagen Area, and Denmark 1977, 1986.

	1977	1986	Pct. change
Copenhagen	529,154	473,000	-11
Greater C. Area	1,758,055	1,718,982	-2
Denmark	5,079,879	5,116,273	1

Source: Statistical 10-Year Report, City of Copenhagen [10-Year Cph.] 1986, p. 8, 1986; own calculations.

Figure 1.

Population of Copenhagen distruted according to sex and age 1977, 1986.

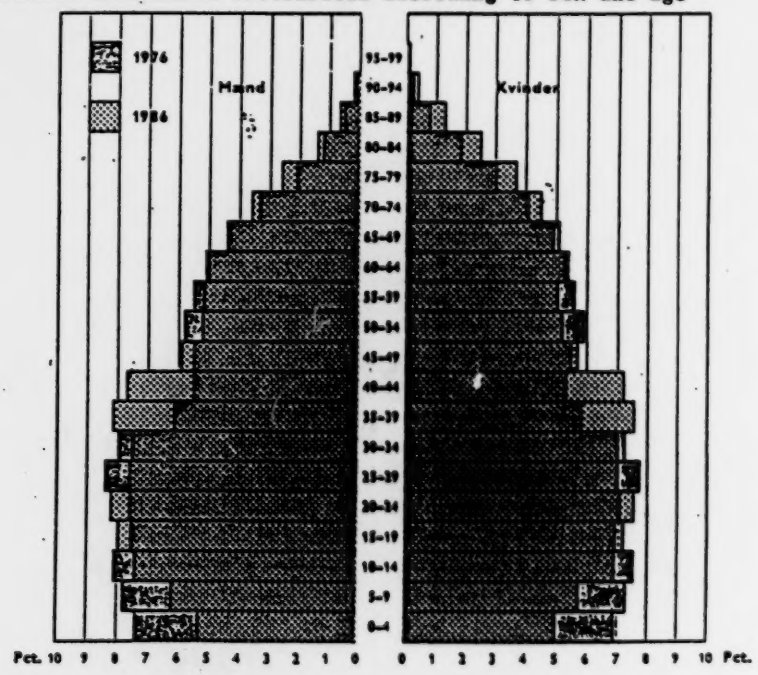


Kilde: Statistisk tiårs-oversigt, Københavns kommune1986: 9.

Source: Statistical 10-Year Report, City of Copenhagen 1986, p. 9.

Figur 2. Befolkningen i Danmark fordelt på køn og alder 1976, 1986.

Figure 2. Population of Denmark distributed according to sex and age



Befolkningens procentvise aldersfordeling for henholdsvis mænd og kvinder.
1. januar 1976 og 1. januar 1986

Kilde: Statistisk tiårsoversigt, Dammarks statistik 1986:5.

Source: Statistical 10-Year Report, Danish Statistical Department 1986, p. 5.

Table 2.
Age distribution of populations in Copenhagen and Denmark 1977, 1986.

	1977		1986	
	Cph.	DK	Cph.	DK
Under 25 years of age	27	37	27	34
25 - 59 -	43	44	44	46
60 and more -	30	19	29	21

Source: 10-Year Cph. 1986, p. 8; 10-Year DK 1986; own calculations.

Table 3.
Marital status, Men and Women in Copenhagen and Denmark, 1977 and 1986.

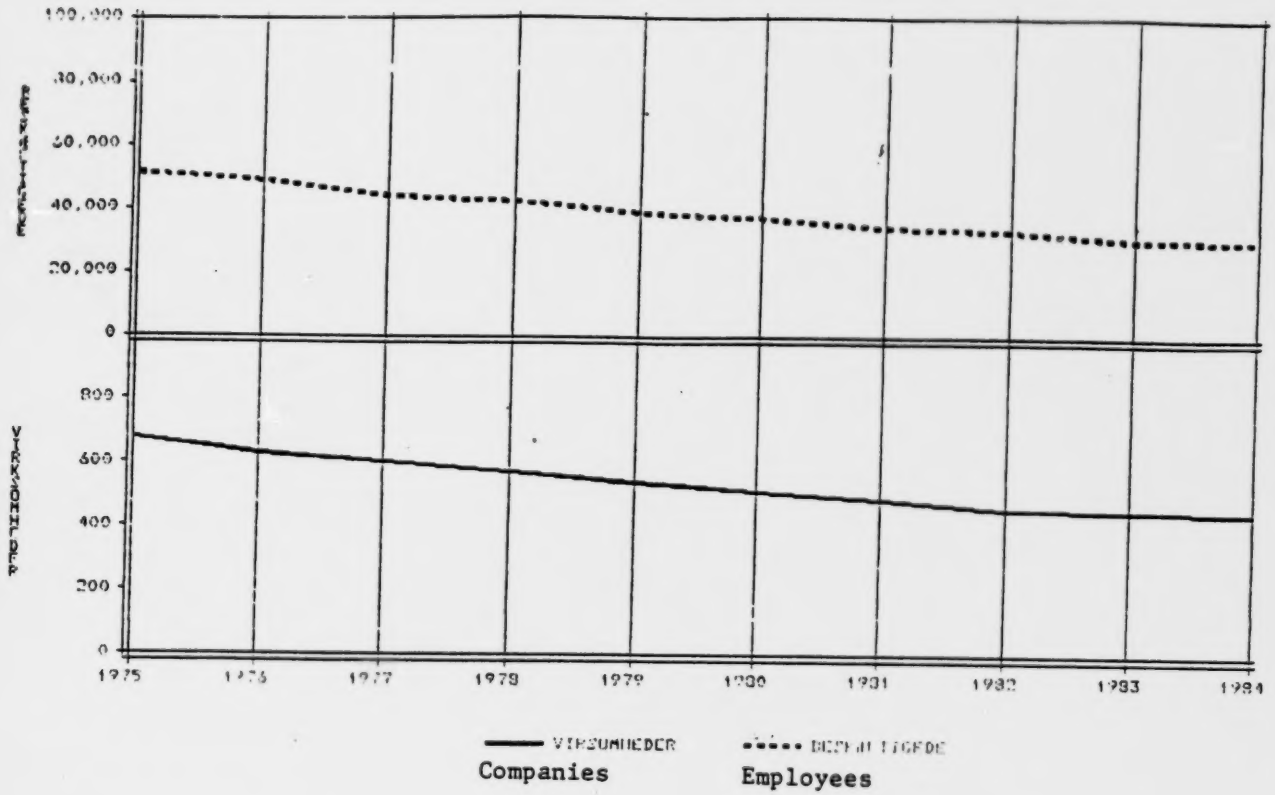
	1977		1986	
	CPH	DK	CPH	DK
Single	38.7	42.9	45.6	44.4
Married	40.7	46.6	32.1	42.5
Divorced	10.2	4.1	11.9	6.1
Widowed	10.4	6.4	10.4	7.0

Source: 10-year Cph.1986, p. 10; 10-year DK 1987, p. 49. Own calculations.

Figure 3.

Number of companies and employees in manufacture in Copenhagen 1975 - 84. INDUSTRI

ANTAL VIRKSOMHEDER OG BESKÆFTIGEDE I INDUSTRIEN, KØBENHAVN



Companies Employees

In 1975 Copenhagen held 14 percent of Denmark's manufacturing work force, in 1984 only 8 percent; this is a reduction of 43 percent. In the greater Copenhagen area, the reduction in the manufacturing work force was 24 percent. (Calculated from Table 4.)

As can be seen from Table 5 below, the reduction in manufacturing employment in Copenhagen does not correspond with the general trend for the whole country over the last ten years, since the change has been only a decrease of 2 percent in Denmark compared to 38 percent in the capital.

The reverse side of employment is unemployment. And in this respect the city of Copenhagen is above the average. Also, the capital experienced increasing rates of unemployment over the last ten years, while the average trend is stable, though very high, unemployment. (The average unemployment rates appear in Table 6.)

These very crude estimates of the relative resources available to Copenhagen -- indicated by the trend in the development in population and industry -- suggest an underprivileged situation, which also shows in estimates of resources measured with regard to income and wealth, as I shall briefly demonstrate in the following. If we compare taxable income in Copenhagen and the country as a whole regarding the lower and upper quartiles, we can see that not only are the lower income groups in Copenhagen poorer than in Denmark on average, but also the richer are less rich in the city than in the country as a whole (see Table 11). Likewise regarding wealth: the average wealth is nearly double in Denmark as in Copenhagen alone (Table 12).

Turning now to the needs and how they are met, as another set of statistics shows, it will be clear that the capital in many instances is diverging disadvantageously from the average. If we first look at the number of families receiving social welfare benefits, it is surprising that Copenhagen does not diverge from the average; roughly 10 percent of the Danish population (or families, rather) receive some kind of help in relation to the Social Assistance Act (Table 7). What we cannot see here is whether the cases in the city are heavier than the average.

Table 4.
Employment in Manufacture in Copenhagen as a percentage of Greater Copenhagen Area and Denmark 1975, 1984.

	1975	1984
Greater C. Area	38	29
Denmark	14	8

Source: 10-Year Cph. 1986, p. 22.

Table 5.
Employment in Manufacture in Copenhagen and in Denmark 1976, 1984.

	1976	1984	pct. change
Copenhagen	48,515	30,263	38
Denmark	277,900	272,600	2

Source: 10-Year Cph. 1986, p. 22; Statistical 10-Year report, Danish Statistical Department [10-Year DK] 1986, p. 69; own calculations.

Table 6.
Average Unemployment rate (percent), in Copenhagen, Greater Copenhagen Area, and Denmark 1979, 1985.

	1979	1985
Copenhagen	10.3	12.2
Greater C. Area	7.8	8.3
Denmark	9.7	9.7

Source: 10-Year Cph. 1986, p. 32.

Table 11
Tax Declared Income 1983 in Copenhagen and Denmark [Danish Crowns = 0.14 U.S. $]; quartiles.

	Cph.	DK
Lower Quartile	37,291	42,160
Upper Quartile	117,666	149,259

Source: Annual Cph. 1985, p. 183; 10-Year DK 1986, p. 57.

Table 12
Average wealth Copenhagen, and Denmark, 1983 [Danish Crowns].

Copenhagen	63,597
Denmark	118,528

Source: 10-Year Cph. 1986, p. 16; 10-Year DK 1986, p. 20.

Table 7.
Families in Copenhagen and Denmark receiving social welfare benefits [according to the Social Assistance Act of 1976] in percent of all families 1977, 1983.

	1977	1983
Copenhagen1)	9	11
Denmark	10	11

Note:Calculated as 'Main persons' [Hovedpersoner, in Danish] who received social welfare in percent of population more than 19 years of age.
Source: 10-Year Cph. 1986, p. 8; Annual Statistical Report, City of Copenhagen [Annual Cph.] 1979, p. 111; Annual Cph. 1986, p. 106; 10-Year DK 1986, p. 29.

As we saw above, Copenhagen has more unemployed people than the country as a whole, and since most unemployed collect unemployment benefits, the city will have more people receiving transfer benefits than average; but financing it is totally a central state matter, so there is no geographical distribution of the cost of unemployment. However, differences occur when we turn to the amount of people receiving sick pay. Nearly twice as many in the capital than in Denmark on average receive sick pay, as shown in Table 8.

The age composition of Copenhagen is about 75 percent more elderly than the country as a whole per 1,000 inhabitants, as we can see from Figure 4.

If we turn to the traditional measure of urban poverty, crime, we can see that crime has doubled over the last ten years in Denmark, as indicated by the amount of criminal offenses being claimed, and that the amount of criminal offenses is twice as high in Copenhagen as in the country as a whole. Some criminologists have pointed out that this statistics is at least partly constructed to accentuate crime so the police can attract more resources (Balvig 198X). The official figures appear in Table 14 below.

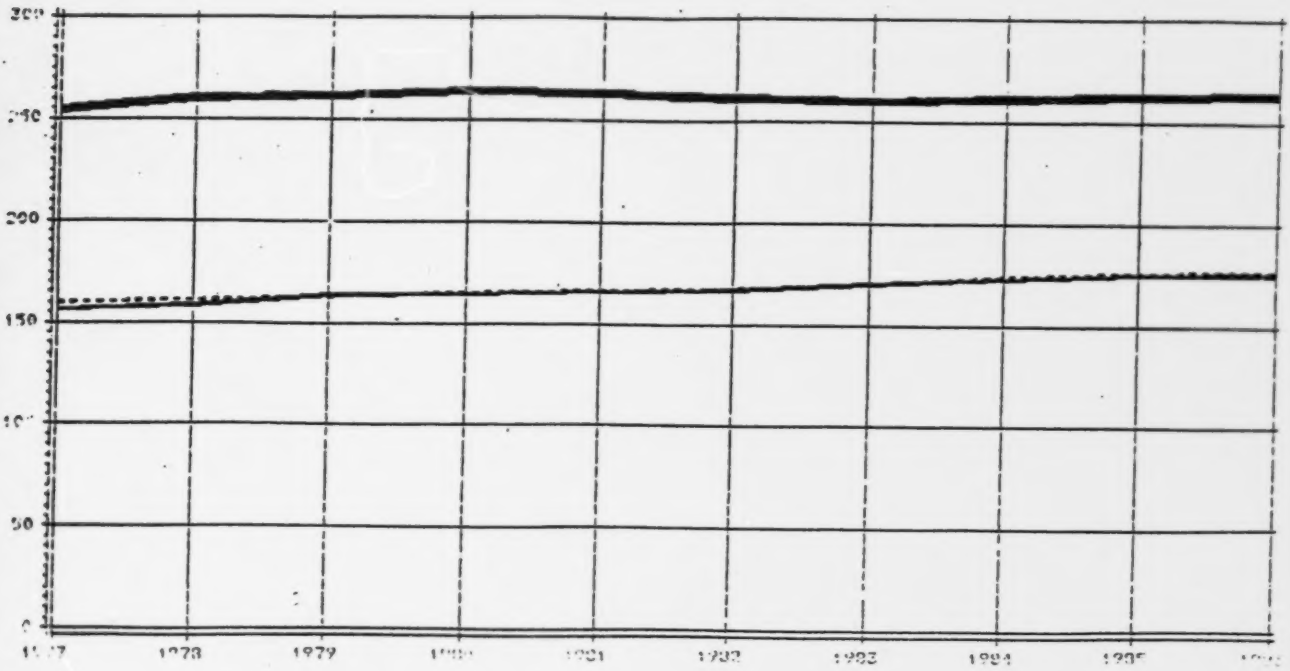
So much for this comparison.

Table 8.
People receiving sick-benefits 1984, in Copenhagen and Denmark in percent of all 20 - 69 year old (respective populations).

Copenhagen	15
Denmark	8

Source: Annual Cph. 1986; 10-Year Cph.; own calculations.

Figure 4. Pensioners in Copenhagen, Greater C. Area, and Denmark 1977 - 1986 per 1000 inhabitants.



Copenhagen Greater C. Area Denmark

Table 14
Reported criminal offenses in Copenhagen and Denmark 1976, 1985, per capita.

	1976	1985
Copenhagen	0.107	0.194
Denmark	0.061	0.094

Sources: Annual Cph. 1986, pp. 8, 52; 10-Year DK 1986, pp. 6, 32.

10. References

Abrahamson, Peter (1985). "Potlverty and Social Policy in the Welfare State: The Case of Denmark in the 1980s." Paper presented at the 5th Critical Social Policy Conference, London University, London, England, April 19-21.

Abrahamson, Peter, *et al* (1986). "Unemployment and Poverty in the Contemporary Welfare States." *Acta Sociologica*, Vol. 29, No. 1: 51-60.

Abrahamson, Peter (1987). "Dualisation of the Welfare Society -- Towards an Urban Culture of Poverty." Paper presented at the International Conference on Technology, Restructuring, and Urban and Regional Development, Dubrovnik, Yugoslavia, June 25-30, 1987. Working Paper No. 10/1987, Department of Sociology, University of Copenhagen.

Abrahamson, Peter, *et al* (1987). "Poverty and Poverty Politics in Denmark in the 1980s." Working Paper No. XX, Department of Sociology, University of Copenhagen.

Andersen, Bent Rold (1985). *Kobenhavnerrapporten.* Amtskommunernes og kommunernes forskningsinstitut: Copenhagen.

Annual Statistical Report, City of Copenhagen (various years). Copenhagen.

Annual Statistical Report, Denmark (various years). Danish Statistical Department: Copenhagen.

Bild, Tage (1985). "De oekonomisk overfloedige." Hoff, Jens, *Stat, Kultur og subjektivitet*. Institut for samfundsfag og forvaltning, Kbh.s Universitet, Copenhagen.

Block, Fred, Richard Cloward, Barbara Ehrenreich, and Frances Piven (1987). *The Mean Season: The Attack on the Welfare State.* Pantheon Books: New York.

Castells, Manuel (1980). *The Economic Crisis and American Society.* Basil Blackwell: Oxford.

Eder, Klaus (1985). "The 'New Social Movements': Moral Crusades, Political Pressure Groups, or Social Movements?" *Social Research*, Vol. 52, No. 4: 869-890.

Ehrenreich, Barbara, and Frances Piven, (1984). "Feminization of Poverty." *Dissent*, Vol. 31 (Spring 1984): 162-170.

Esping-Andersen, Gosta (1985). *Politics Against Markets.* Princeton University Press: Princeton, N.J..

Esping-Andersen, Gosta, and Walther Korpi (1984). "Social Policy as Class Politics in Postwar Capitalism: Scandinavia, Austria, and Germany." John Goldthorpe, ed. *Order and Conflict in West European Capitalism.* Oxford University Press: Oxford.

Evers, Adelbert (1987). "Intermediate Bodies, Their Role in Coproducing Social Services." Paper presented at the International Seminar on the "Position and Participation of Clients As a Key Question in Advancing Social Policy," Helsinki, August 29-September 3, 1987.

Gans, Herbert J. (1969)[1965]. "The City and the Poor: The Shortcomings of Present Housing and Anti-Poverty Programs, and Some Alternative Proposals for Eliminating Slums and Poverty." In Paul Meadows and Ephrain Mizruchy, eds. (1969). *Urbanism, Urbanization, and Change: Comparative Perspectives.* Allison Wesley: Ann Arbor,

Gordon, David, Richard Edwards, and Michael Reich (1982). *Segmented Work, Divided Workers. The Historical Transformation of Labor in the United States.* Cambridge University Press: Cambridge (UK).

Gorz, Andre (1981). *Farvel til proletariatet. Hinsides socialismen* [in Danish]. French original: *Adieux au Proletariat.*

Gorz, Andre (1984). *Paradisets veje.* Politisk Revy: Copenhagen. [French original: *Chemin a Paradis.*]

Gustafsson, Bo (1984). *En bok om fattigdom* [A book about poverty; in Swedish]. Stockholm.

Habermas, Jurgen (1981). *Theorie des kommunikativen Handelns. Band II.* Suhrkamp: Frankfurt am Main. Pp. 548-593 are translated into Danish in Troels Norager (1985), *System og livsverden.* Aarhus Universitet: ANIS; this is the issue used here. In this case, the relevant section of *Theorie . . .* is in part translated into English; see Jurgen Habermas "New Social Movements." *Telos,* No. 49 (Fall 1981).

Hirsch, Joachim (1985). "Auf dem Wege zum Postfordismus." *Das Argument,* No. 151: 325-342.

Hoven, Finn (1982). "Regressive Welfare: Distribution Effects of Occupational Welfare Benefits." *Acta Sociologica,* Vol. 25, No. 1: 65-73.

Jessop, Bob, *et al.* (1984). "Authoritarian Populism, Two Nations, and Thatcherism." *New Left Review,* No. 147: 32-60.

Jessop, Bob (1986). "Der Wohlfartstaat im Ubergang vom Fordismus zum Postfordismus." *Probleme des Klassenkampfs,* Vol. 16, No. 4: 4-33.

Jordan, Bill (1973). *Paupers. The Making of a New Claiming Class.* Routledge and Kegan Paul: London.

Kivisto, Peter (1984). "Contemporary Social Movements in Advanced Industrial Societies and Sociological Intervention: An Appraisal of Alain Touraine's Practique." *Acta Sociologica,* Vol. 27, No. 4: 279-290.

Knudsen, Rita (1985). "Flere vil forsorge sigselv -- men kan ikke" [More and more people want to support themselves -- but cannot; in Danish]. *Social Revy,* Vol. 3, No. 3/4.

Koebenhavn (1986). [A Copenhagen weekly paper.]

Living Conditions in Denmark, Statistical Compendium 1984. Danish Statistical Department: Copenhagen 1984.

Lyotard, Jean Francois (1982). *Viden og det postmoderne samfund.* [In Danish.] Sjakalen: Aarhus.

Mandel, Ernest (1976). *Senkapitalismen: Et forsoeg paa en marxistisk forklaring.* [in Danish; German original: *Der Spatkapitalismus*: Frankfurt am Main, 1973.

Marklund, Staffan,and Stefan Svallfors (1987). *Dual Welfare: Segmentation and Work Enforcement in the Swedish Welfare System.* Research Reports from the Department of Sociology, University of Umeaa, RR No. 94.

Moller, Iver Horneman (1987). "Fattigdommens baggrund: Polariseringen af arbejdsmarkedet og dualiseringen af socialpolitikken" [Reasons for Poverty: Polarization of Labor Market and Dualization of Social Policy; in Danish.] Papir til CVS-konferencen, oktober 1987.

Nathan, Richard P. (1987). "Will the Underclass Always Be With Us?" Society, Vol. 24, No. 3: 57-62.

Negt, Oskar (1985). *Det levende arbejde den stjaalne tid.* Politisk Revy: Copenhagen. [German original: *Lebendige Arbeit Enteignete Zeit.*]

Offe, Claus (1985a). "Work,the Key Sociological Category?" In *Disorganised Capitalism.* Polity Press: Cambridge.

Offe, Claus (1985b). "New Social Movements: Challenging the Boundaries of Institutional Politics." *Social Research*, Vol. 52, No. 4: 817-868.

Piore, Michael (1975). *Notes for a Theory of Labor Market Segmentation.* Lexington, Mass.

Piven, Frances F., and Richard Cloward (1977). *Poor Peoples' Movements. How They Succeed, Why They Fail.* Pantheon: New York.

Piven, Frances F., and Richard Cloward (1982). *The New Class War.* Pantheon: New York.

Prezeworsky, Adam (1980). "Social Democracy as a Historical Phenomenon." *New Left Review*, No. 122: 27-58.

Sartre, Jean-Paul (1967). *Kritik der dialektischen Vernunft.* Hamburg: Rohwolt.

Statistical 10-Year Report, City of Copenhagen (various years). Copenhagen.

Statistical 10-Year Report, Denmark (various years). Danish Statistical Department: Copenhagen.

Stjernoe, Steiner (1985). *Den moderne fattigdommen* [Modern poverty; in Norwegian]. Oslo.

Titmuss, Richard (1978). *Social Policy.* London.

------ (1958). "The Social Division of Welfare: Some Reflections on the Search of Equity." In *Essays on the Welfare State.* Allen and Unwin: London.

Touraine, Alain (1985). "An Introduction to the Study of Social Movements." *Social Research*, Vol. 52, no 4: 749-788.

Touraine, Alan (1981). *The Voice and the Eye.* Cambridge University Press: Cambridge [UK].

Townsend, Peter (1979). *Poverty in the United Kingdom.* Penguin Books: Harmondsworth.

Vestero, Carsten (1985). *Det tvedelte pensionssystem.* Institute of Economics and Planning: Roskilde University.

Wilson, William J., and Robert Aponte (1985). "Urban Poverty." *Annual Review of Sociology*, Vol. 11: 231-58.